

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NORTH DAKOTA

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| In re: The Ruins, LLC, Debtor. | Bankr. No. 25-30004 Chapter 11 |
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**WATERTOWN DEVELOPMENT COMPANY’S MOTION FOR RELIEF
FROM THE AUTOMATIC STAY**

Watertown Development Company (“WDC”), by and through its counsel, submits this motion for relief from automatic stay pursuant to 11 U.S.C. § 362(d) and Rule 4001 and Rule 9014 of the Federal Rules of Bankruptcy Procedure.

1. WDC is a secured creditor and party in interest in this case.
2. WDC filed Proof of Claim No. 7 on March 10, 2025, in the total amount of \$2,485,641.14. The documents attached to WDC’s Proof of Claim are incorporated herein by reference in support of this motion.
3. On July 15, 2025, Red River State Bank (“RRSB”) filed a motion for relief from the automatic stay. (Doc. 58.)
4. In its motion, RRSB stated that it commenced a foreclosure action in the Third Judicial Circuit Court in Codington County, South Dakota (Case No. 24-000068) (“Foreclosure Action”). (Doc. 58, at ¶ 9.) RRSB sought relief from the automatic stay to complete the prepetition Foreclosure Action in state court. (*Id.* at ¶ 32.)
5. The Court granted RRSB’s motion for relief from stay on September 29, 2025. (Doc. 123.)

6. Because WDC is a secured creditor and holds a mortgage against the real estate owned by Debtor (*see* Proof of Claim No. 7 and supporting documents), WDC was correctly named as a Defendant in the Foreclosure Action. *See* SDCL § 21-49-15.

7. Although a Defendant in the Foreclosure Action, WDC has, by virtue of South Dakota law, several important rights as a lienholder in a foreclosure action, the exercise of which could be construed as a violation of the automatic stay if it is not lifted in this case. In order for WDC to participate in the Foreclosure Action and to protect and exercise its rights as a lienholder and secured party and to pursue its own claims where applicable, relief from the automatic stay by this Court should be granted.

8. 11 U.S.C. § 362(d)(1) entitles a creditor to relief from the automatic stay “for cause, including the lack of adequate protection of an interest in property” “Cause has been defined to mean ‘any reason whereby a creditor is receiving less than his bargain from a debtor and is without a remedy because of the bankruptcy proceeding.’” *In re Martens*, 331 B.R. 395, 398 (B.A.P. 8th Cir. 2005) (quoting *In re Food Barn Stores, Inc.*, 159 B.R. 264, 267 (Bankr. W.D. Mo. 1993)). “In practice, when evaluating ‘cause,’ courts consider whether a creditor’s interest in property has lost value or is unduly at risk, usually through the fault of the debtor.” *In re Daniels*, 667 B.R. 727, 732 (Bankr. E.D. Mo. 2025)).

9. “Cause” exists to lift the stay here because the Court granted RRSB relief from the automatic stay to continue the Foreclosure Action in state court. If relief from stay is not granted to WDC, then WDC’s mortgage interest in Debtor’s real estate and other rights as a secured party and lienholder are not adequately protected because WDC will be unable to exercise and preserve its lien and other rights under South Dakota law. Were this to occur, WDC would lose the benefit of its bargain as it relates to the rights afforded to a secured parties and

lienholders under South Dakota law. Furthermore, WDC lacks adequate protection because debtor has not made any post-petition payments to WDC, and WDC has not otherwise received the indubitable equivalent of its interest in its collateral.

WHEREFORE, WDC respectfully requests an order lifting and terminating the automatic stay to allow WDC to exercise its rights and remedies under applicable non-bankruptcy law with respect to its collateral, including The Ruins' real property located at 315 East Kemp Avenue in Watertown, South Dakota.

Dated this 6th day of November, 2025.

WOODS, FULLER, SHULTZ & SMITH P.C.

By /s/ Jordan J. Feist

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**NOTICE OF MOTION FOR RELIEF
FROM THE AUTOMATIC STAY**

TO ALL INTERESTED PARTIES:

NOTICE IS HEREBY GIVEN that Watertown Development Company, a secured creditor of Debtor and party in interest has filed a Motion for Relief from the Automatic Stay, a copy of which is attached to this Notice and hereby served upon you.

NOTICE IS FURTHER GIVEN that written objections to said motion, if any, shall be filed with the Clerk of the United States Bankruptcy Court, whose address is 655 First Avenue North, Suite 210, Fargo, ND 58102-4932, with a copy mailed to counsel for Watertown Development Company at the address listed below, within fourteen (14) days from the date of the mailing of this Notice. Any objections not filed and served may be deemed waived.

Dated this 6th day of November, 2025.

WOODS, FULLER, SHULTZ & SMITH P.C.

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CERTIFICATE OF SERVICE

I hereby certify that on this 6th day of November, 2025, a copy of the foregoing Motion for Relief from Automatic Stay and Notice of Motion for Relief from the Automatic Stay was filed electronically with the Clerk of Court through ECF, and that notice will be provided to all CM/ECF participants in this case.

Dated this 6th day of November, 2025.

WOODS, FULLER, SHULTZ & SMITH P.C.

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